

**TOPPENISH SCHOOL DISTRICT No. 202**  
**Yakima County, Washington**  
**September 1, 1990 Through August 31, 1992**

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**Schedule Of Findings**

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1. Toppenish School District Payroll Charges Should Comply With Federal Regulations

Charges to federal programs are processed primarily through the district's payroll system. Our testing of charges processed through this system included identification of the source, and determination of whether the charges represented actual application of resources to program purposes. For charges processed through the payroll system, each employee's salary is charged according to approved budget and personnel assignments. The district did not require time reports during fiscal year 1991. We were able to trace some, but not all, program charges to other supporting detail. Other charges to federal programs did not appear to be supported by other documentation. The district instituted time and effort reporting in fiscal year 1992.

The Office of Management and Budget (OMB) Circular A-87 requires a time reporting system which documents actual time charged to federal programs. That system is to be used as the basis for time charged, in whole or in part, directly to federal awards. In the absence of a system that meets federal standards, those salary and benefits charged to federal programs which were not properly supported result in questioned costs of \$44,160 for fiscal year 1991.

We recommend that the district continue implementation of time reporting that will meet the requirements of OMB Circular A-87.

2. Toppenish School District Officials Should Establish Adequate Internal Control Procedures Over Cash Receipting

Our audit of district cash receipting procedures disclosed that the collection of money by district personnel was not always documented through the use of official receipt forms.

Without properly receipting all moneys collected, it is not possible to determine whether they were properly accounted for. Additionally, without adequate cash receipting controls and procedures, the district is not able to detect and correct any errors or omissions resulting from the cash receipting process.

This control deficiency condition arose because district officials, possibly as a result of several personnel changes, did not monitor cash receipting procedures on a continuing basis.

We recommend district officials develop, implement and monitor cash receipting procedures to ensure that all public funds are properly accounted for.